

HEARING DATE AND TIME: December 6, 2011 at 10:00 a.m. (Eastern Time)

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Attorneys for Objecting Party Iberdrola Renewables Energies USA, Ltd.
and Objecting Party's manager Iberdrola Renewables, Inc., fka PPM Energy, Inc.

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X	
In re:	: Chapter 11
	:
LEHMAN BROTHERS HOLDINGS INC., et al.,	: Case No. 08-13555 (JMP)
	:
Debtors.	: (Jointly Administered)
-----X	

**OBJECTION TO DEBTORS' NOTICE OF PROPOSED ASSUMPTION OF
EXECUTORY CONTRACTS AND UNEXPIRED LEASES PURSUANT
TO DEBTORS' THIRD AMENDED JOINT CHAPTER 11 PLAN
PURSUANT TO SECTION 1121 OF THE BANKRUPTCY CODE**

Debtors, in the above-referenced Notice, seek to "assume the executory contract ... listed on Exhibit A hereto (the "Contract")." On Exhibit A to the Notice, Debtors do not indicate a specific derivatives contract and state that "unless a specific derivatives contract is noted [and

none are], the Debtors intend to assume all derivatives contracts with you.” The Notice states that “the Debtors shall pay the cure amount set forth on Exhibit A Payment of such cure amount shall satisfy, in full, the Debtors’ obligations pursuant to section 365(b)(1) of the Bankruptcy Code.”

The “cure amount” set forth on Exhibit A to said Notice is \$0.00. Section 365(b)(1) of the Bankruptcy Code provides that “[i]f there has been a default in an executory contract ... of the debtor, the trustee may not assume such contract ... unless, at the time of assumption of such contract ..., the trustee- (A) cures ... such default”

The Contract is a swap agreement, by which the parties agreed to exchange cash flows based on notional quantities and indices set forth in the Contract, a copy of which has been filed with these claims:

Claim numbers	67558 Debtor 08-13555	\$12,047,865.00
	67559 Debtor 08-13885	\$12,047,865.00

Attachment A hereto sets forth the payments under the Contract that the Debtors did not pay. The Debtors should have paid these amounts were they performing under the Contract. These amounts are past due and bear interest at the rates set forth in the Contract. Such amount (\$5,470,354) plus interest thereon as set forth in the Contract constitutes the cure amount. Therefore, the Debtors may not assume the Contract without first paying the sum of \$5,470,354, plus interest thereon as set forth in the Contract. Accordingly, the \$0.00 alleged by the Debtors in the Notice is approximately five million dollars less than what is required to cure Debtors’ defaults under the Contract, and therefore not compliant with Section 365(b)(1). Accordingly, Objecting Party objects to the Notice and its substance, including the cure amount set forth in the Notice.

Dated: November 9, 2011

PRYOR CASHMAN LLP

By: /s/ Seth H. Lieberman

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Attachment A

Settlement Costs for Aug 1 2008 - Nov 7 2011

Row Labels	Values			
	Average of MWs	Sum of MWs	Average of NI-Hub RT	Sum of IBR CF
Aug-08	3	2,232	\$52.66	(\$10,409)
Sep-08	7	5,040	\$43.08	\$24,820
Oct-08	14	10,430	\$35.28	\$132,624
Nov-08	15	10,800	\$38.37	\$103,969
Dec-08	15	11,160	\$40.43	\$84,536
Jan-09	21	15,624	\$42.10	\$92,128
Feb-09	17	11,407	\$33.33	\$167,469
Mar-09	16	11,904	\$26.75	\$252,631
Apr-09	19	13,680	\$26.93	\$288,226
May-09	13	9,672	\$25.81	\$214,649
Jun-09	8	5,760	\$25.59	\$129,096
Jul-09	5	3,720	\$24.87	\$86,036
Aug-09	3	2,232	\$27.62	\$45,485
Sep-09	7	5,040	\$24.56	\$118,146
Oct-09	14	10,430	\$27.77	\$210,961
Nov-09	15	10,800	\$26.35	\$233,816
Dec-09	15	11,160	\$34.62	\$149,344
Jan-10	21	15,624	\$38.31	\$151,471
Feb-10	17	11,407	\$36.70	\$128,751
Mar-10	16	11,904	\$28.61	\$230,516
Apr-10	19	13,680	\$26.13	\$299,243
May-10	13	9,672	\$32.26	\$152,208
Jun-10	8	5,760	\$38.64	\$53,899
Jul-10	5	3,720	\$45.75	\$8,362
Aug-10	3	2,232	\$43.44	\$10,171
Sep-10	7	5,040	\$25.33	\$114,280
Oct-10	14	10,430	\$25.88	\$230,684
Nov-10	15	10,800	\$25.36	\$244,555
Dec-10	15	11,160	\$30.43	\$196,121
Jan-11	21	15,624	\$35.74	\$191,494
Feb-11	17	11,407	\$33.64	\$163,710
Mar-11	16	11,904	\$32.88	\$179,779
Apr-11	19	13,680	\$33.48	\$198,654
May-11	13	9,672	\$37.90	\$97,705
Jun-11	8	5,760	\$33.33	\$84,501
Jul-11	5	3,720	\$46.94	\$3,962
Aug-11	3	2,232	\$37.71	\$22,967
Sep-11	7	5,040	\$26.92	\$106,233
Oct-11	14	10,416	\$26.21	\$227,013
Nov-11	15	2,520	\$27.94	\$50,550
Grand Total	12	354,495	\$33.27	\$5,470,354